Streamlined Competitions

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Streamlined Competitions

- Intended Audience:
  - Individuals who will oversee, manage, or conduct streamlined public-private competitions
  - Participation requires fundamental knowledge of the purposes and processes of the competitive sourcing program
  - Attendees should read Section C of Attachment B of OMB Circular A-76 (May 2003) and Pertinent Sections of Attachment C

Streamlined Competitions

- Training Track Objectives:
  - Understand nature of streamlined competitions versus standard competitions
  - Understand streamlined competition process

Agenda

- Terminology
- Overview of streamlined competition process
- General Cost Rules
- Using *COMPARE* and A-76 Costing Rules

A-76 Circular Terms

- **Component Competitive Sourcing Official (CCSO) -** Responsible for the implementation of Circular within the Department of the Army

- **Delegated Competitive Sourcing Official (DCSO) -** Responsible for the implementation of Circular within each MACOM, DRU, FOA, and HSSA

- **Agency/Agency Source -** A service provider staffed by government personnel

- **Agency Tender -** Agency management plan to include Most Efficient Organization (MEO), Agency Cost Estimate (ACE), Quality Control Plan (QCP) and Phase-In Plan (PIP)

A-76 Circular Terms

- **Agency Cost Estimate (ACE) -** Cost of agency tender

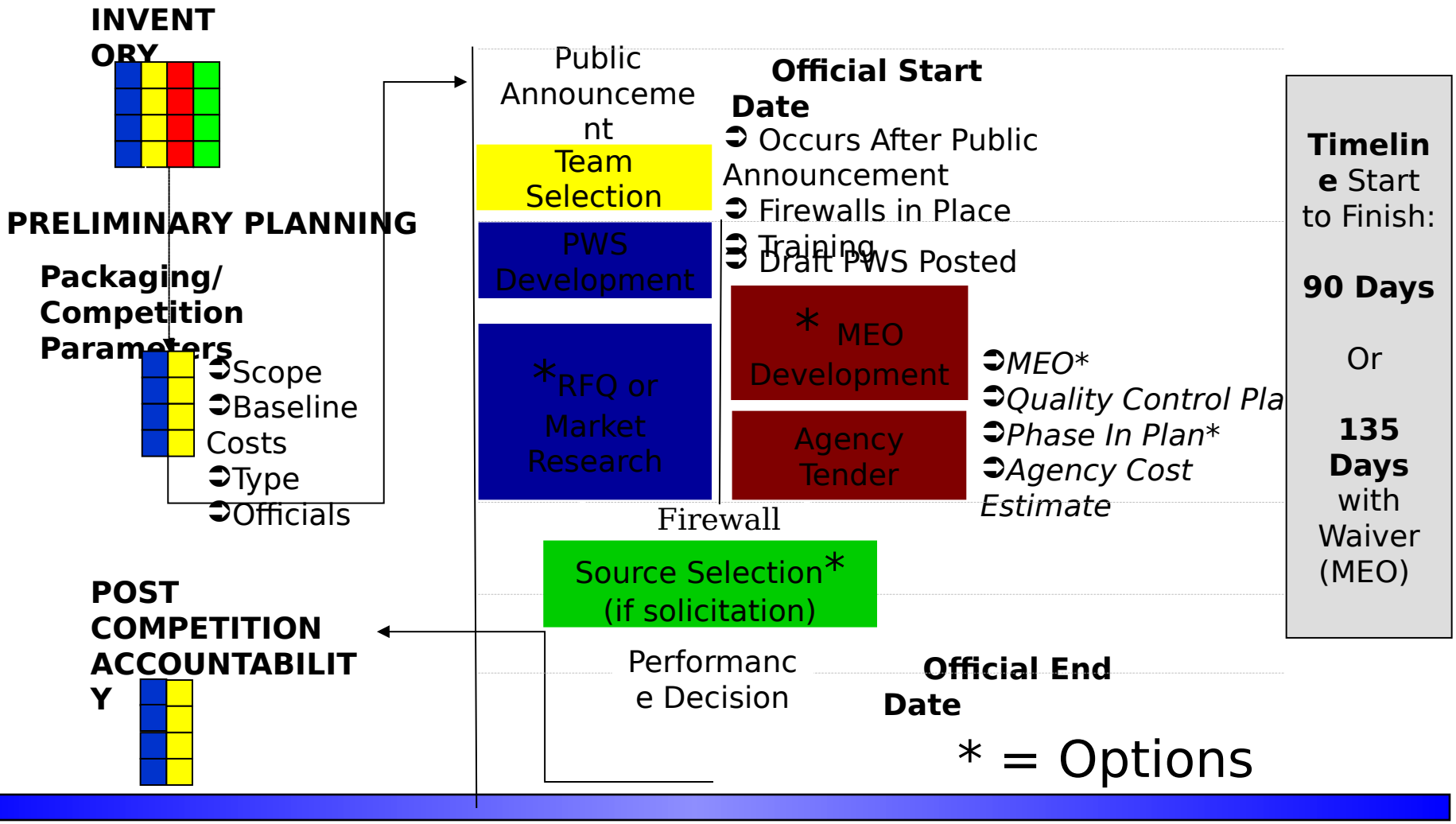
- **Competition Officials –** Appointed by DCSO prior to competition; accountable for timely and proper conduct of competitions.
  - Agency Tender Official (ATO)
  - Contracting Officer (KO)
  - PWS Team Leader
  - Human Resource Advisor (HRA)
  - Source Selection Authority (SSA)

A-76 Circular Terms

- **Private Sector (PS) Source –** Non-government service provider that could perform a commercial activity

- **Public Reimbursable (PR) Source -** Service provider from Federal agency that could perform a commercial activity for another Federal agency on a fee-for-service (i.e., reimbursable) basis

Streamlined Competition Proc



DoD Appropriations Act Section 8014

- Cannot convert to contractor performance if more than 10 Federal civilian employees impacted unless:
  - MEO is developed
  - Contractor performance less costly by lesser of 10% of MEO personnel costs or $10 million
  - Contractor health plan included, and that employer premiums at least equal to DoD's

Streamlined Competition

- 65 or fewer Federal civilian employees
- Agency costs based on either current ops or MEO
- 90 calendar day time limit
- 135 calendar days with CCSO approval prior to public announcement if:
  - MEO developed, or
  - Solicitation (RFQ) used to develop private sector cost estimate
- Can utilize either documented market research or solicit for cost proposals in obtaining private sector costs
- Public reimbursable source can compete
- Firewalls in preparing agency cost estimate, private sector/ public reimbursable cost estimates

Streamlined Competition

- All resources must be GF except:
  - Labor
  - Materials and supplies (M&S)
  - MEO subcontracts
- Contract administration applied to contract costs
- NO one-time conversion costs allowed
- Federal income tax benefit to Government applied to contract costs (deduction from contract price) if considered a taxable PS offeror
- Conversion differential applied to non-incumbent costs

Streamlined Competition

- 3 certifications on Streamlined Competition Form (SLCF)
  - Agency Tender Official/Agency cost estimate
  - Private Sector/Public Reimbursable cost estimate
  - Adjusted Costs Minimum three performance periods
- Minimum of three full years of performance, excluding the phase-in period
- Incumbent allowed to review SLCF prior to public announcement of performance decision
- No agency contests allowed, unless a straightforward error
- Letter of Obligation used with Agency performance decision

Agency Cost Estimate – Line 6

- Requirements statement provides instructions (e.g., phase-in, when begin performance, M&S, etc.)
- MEO decisions form basis for ACE
- Cost estimating determines data entered in COMPARE
- COMPARE calculates costs considering inflation, proration, and OMB costing rules
- SLCF not a funding document

Agency Cost Estimate – Line 6

- Incumbent organization documentation
  - Existing staffing documents & historical pay records
  - Financial records for materials and supplies
  - Contract records for existing contracts

- MEO
  - Projected staffing and pay
  - Projected materials and supplies
  - Contract records for existing contracts

The ACE should include sufficient documentation so the person accomplishing the performance decision can ensure the ACE is inclusive of all cost

Personnel Costs – Line 1

- Direct/Indirect labor and supervision that is part of MEO
- Local personnel costs that directly support direct labor
  - Management of senior MEO positions
  - Personnel support, etc. (support provided above local level is considered either common cost or included in Line 4 - Overhead Cost)
- FTEs can be prorated (i.e., 20% of a position's time)
- Labor for MEO administration & inspection associated with MEO Letter of Obligation

Agency Cost Estimate

Line 1 Personnel Cost

\+ Line 2 Material & Supply Cost

\+ Line 3E MEO Subcontractor Cost

\+ Line 4 Overhead Cost *

Line 6 Total Cost of Agency Performance

* AUTOMATIC COMPUTATION

Market Research

- FAR Part 10

- Sources of information
  - Existing contracts
  - Benchmark data
  - GSA schedule prices

- Documentation should
  - Explain how data source is similar to competed work requirements
  - Account for inflation
  - Explain logic for using cost estimating techniques such as extrapolation, parametric analysis, analogies, etc.

Private Sector Estimate – Line 7

- DOCUMENTED Market Research
  - Establish good audit trail
  - Use same requirement as for ACE
  - Sources of information include
    - Existing contracts IF cost for personnel can be identified and extrapolated, M&S, contract support, and overhead
    - RFQ IF same costs can be determined
    - Commercial publications IF same costs can be determined

- Issue RFQ
  - Instruct offerors (in Section L) to segregate personnel, M&S, contract support, and overhead from other costs

Agency Cost Estimate

Line 7 PS Cost Estimate

\+ Line 8 Contract Administration Cost *

\- Line 12 Federal Income Tax Adjustment *

Line 13 Total Adjusted Cost of PS Performance

* AUTOMATIC COMPUTATION

Performance Decision

3 SLCF certifications required, each by different individual

- Agency Tender certification
  - ACE based on scope of requirements of activity being competed
  - ACE calculated IAW OMB Circular A-76
- Agency Official – Certification of Estimated Cost of PS Performance
  - PS estimate based on documented market research or soliciting cost proposals IAW the FAR
- Agency Official – Certification of Adjusted Costs
  - Costs on SLCF Lines 8, 12, 13, and 17 are accurate
  - Performance decision reflected on SLCF Line 18 is cost effective

Post Comp Accountability

- KO executes Letter of Obligation with official responsible for MEO

- Letter of Obligation has terms “similar” to contract
  - Cost adjustment provisions
  - Changes
  - Terminations (Default and Convenience)
  - Reporting